

FILED

JUN 1 2005

RB

COMMONWEALTH OF KENTUCKY
FRANKLIN CIRCUIT COURT
DIVISION II
CIVIL ACTION NO. 04-CI- 00679

FRANKLIN CIRCUIT COURT
JANICE MARSHALL, CLERK

Commonwealth Of Kentucky, ex rel. The Executive Director of the
Office of Financial Institutions of the Commonwealth of Kentucky

PLAINTIFF

vs.

Cumberland Energy, LLC

and

Michael Davidson, Personally

DEFENDANTS

AGREED ORDER PURSUANT TO CR 65

Upon mutual Agreement of the Plaintiff, the Executive Director ("Executive Director") of the Office of Financial Institutions Of the Commonwealth of Kentucky ("Office"), and the Defendants, Cumberland Energy, LLC and Michael Davidson, Personally, this Court being otherwise sufficiently advised;

IT IS HEREBY ORDERED THAT:

Defendants, Cumberland Energy, LLC and Michael Davidson, shall no longer engage in any aspect of the business of offering or selling securities at any time for any reason. Neither Defendant shall engage in any aspect of such securities business within or outside of the Commonwealth of Kentucky.

The Defendants shall never violate the Securities Act of Kentucky in the future. In addition, the Defendants shall never violate the regulations enacted under the Securities Act of Kentucky or the Orders of the Executive Directors of the Office or the Commissioners of the Department of Financial Institutions that remain in force.

Michael Davidson shall not offer or sell securities and/or interests in any oil and gas venture from Kentucky to non-Kentucky residents or to Kentucky residents nor shall he offer or sell such securities and/or interests from outside Kentucky to residents of Kentucky. This shall include, but not be limited to, interests in oil and gas ventures in the form of partnerships, limited partnerships, joint ventures, corporations, and limited liability companies.

Michael Davidson shall not be an officer, director, manager, or other such control person of any entity which offers or sells securities and/or interests in oil and gas ventures from Kentucky to non-Kentucky residents or to Kentucky residents or which offers or sells such securities and/or interests from outside Kentucky to Kentucky residents.

Michael Davidson shall not have any direct or indirect ownership interest in any entity which offers or sells securities and/or interests in oil and gas ventures from Kentucky to non-Kentucky residents or to Kentucky residents or from outside Kentucky to Kentucky residents.

Michael Davidson shall receive no commission, remuneration, or financial benefit from the offer or sale of any securities from Kentucky to non-Kentucky residents or to Kentucky residents or from the offer or sale of such securities and/or interests from outside Kentucky to Kentucky residents.

IT IS FURTHER ORDERED THAT:

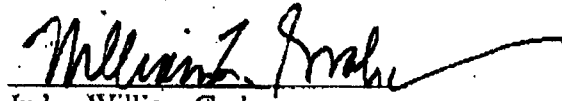
Notwithstanding this Order, Michael Davidson may continue to engage in the business of drilling for oil and/or gas within and outside of the Commonwealth of Kentucky for compensation commensurate with his efforts to do same. This allows Michael Davidson, among other things, to do things like secure drilling equipment, oversee the drilling operations or actually operate a drilling rig, assist in any of these tasks, or advise in connection with these tasks.

This express permission for Defendant Michael Davidson to engage in the business of drilling for oil and/or gas permits him to engage in any aspect of said drilling business **EXCEPT** for the raising

of the money to drill the wells and receiving remuneration and/or commission from such raising of money to drill said wells. Nevertheless, this Order shall *not* prevent Michael Davidson from receiving fair market compensation for any work performed in the act of drilling oil and/or gas wells and functions related thereto, **EXCEPTING** the work of raising the money to fund said activities.

IT IS FURTHER ORDERED THAT:

Michael Davidson shall not receive compensation, remuneration, dividends, gains, or income of any sort whatsoever, through any company or entity that he would not be permitted to receive directly pursuant to the terms of this Order.


Judge William Graham
Franklin Circuit Court

Michael Davidson Member
AGREED TO this the ____ day of ~~January~~, 2005.

by _____
Cumberland Energy, LLC
Date

Michael Davidson 5-16-05
Michael Davidson Date

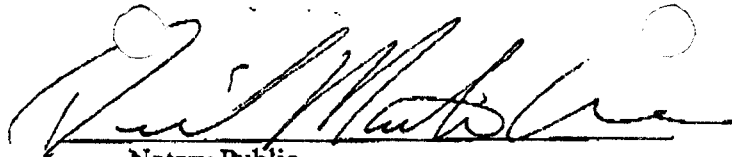
By *Michael Davidson* 5-16-05
Michael Davidson Date

ACKNOWLEDGEMENT

County of: Clinton

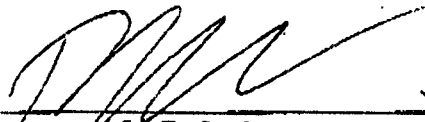
State of Kentucky

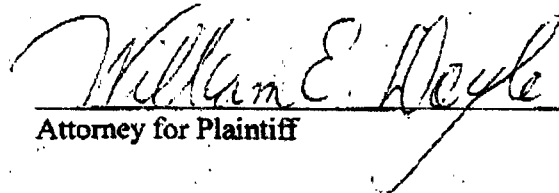
On this 16 day of ~~January~~ ^{May}, 2005, Michael Davidson personally appeared before me and acknowledged to me that he is authorized to execute this Agreed Order on behalf of Cumberland Energy, LLC, and Michael Davidson and that he freely signed this Agreed Order on behalf of the entity and on behalf of himself in his personal capacity.


Notary Public

My Commission Expires: 8/8/06

HAVE SEEN AND AGREED TO:


Attorney for Defendants 5-16-05
Date


Attorney for Plaintiff 5-23-05
Date

COMMONWEALTH OF KENTUCKY
FRANKLIN CIRCUIT AND DISTRICT COURT
P.O. BOX 678
214 ST. CLAIR STREET
FRANKFORT, KY 40602
(502) 564-7013 - PHONE
(502) 564-8188 - FAX

DATE: 6-8-05

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